## ORIGINAL



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## BEFORE THE ARIZONA CORPORATION

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COMMISSIONERS

GARY PIERCE - Chairman BOB STUMP SANDRAD KENNEDY

SANDRA D. KENNEDY PAUL NEWMAN

BRENDA BURNS

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In the matter of:

CRYSTAL PISTOL RESOURCES, LLC, a Nevada limited liability company;

CRYSTAL PISTOL MANAGEMENT, LLC, a Nevada limited liability company;

LIBERTY BELL RESOURCES I, LLC, a Nevada limited liability company;

12 PETER POCKLINGTON, a married man;

13 and

JOHN M. MCNEIL, an unmarried man,

Respondents.

DOCKET NO. S-20845A-12-0134

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NHV 2 1 2012



SIXTH
PROCEDURAL ORDER
(Schedules Hearing)

## BY THE COMMISSION:

On April 5, 2012, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Crystal Pistol Resources, LLC, a Nevada limited liability company ("CPR"), Crystal Pistol Management, LLC, a Nevada limited liability company ("CPM"), Liberty Bell Resources I, LLC, a Nevada limited liability company ("LBR"), Peter Pocklington, a married man and John M. McNeil, an unmarried man, (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of membership interests or investment contracts.

The Respondents were duly served with copies of the Notice.

On April 23 and 24, 2012, Respondent Pocklington and Respondents CPR, CPM, LBR and McNeil, respectively, filed requests for hearing in this matter.

On April 25, 2012, by Procedural Order, a pre-hearing conference was scheduled on May 15, 2012.

On May 11, 2012, the Division and the Respondents filed a Stipulation to extend the date for the filing of Respondents' answer to the Notice by 60 days from May 11, 2012, to July 10, 2012.

On May 15, 2012, the Division and Respondents appeared through counsel who indicated that they are discussing a possible settlement of the proceeding. In the event the matter cannot be resolved, the Division requested that a hearing be scheduled in the fall. Counsel for the parties indicated that the matter would require more than one week of hearing. Subsequently, a hearing was scheduled on October 22, 2012.

On September 6, 2012, the Division and Respondents filed a Motion and Stipulation to extend the deadline for the exchange of copies of their Witness Lists and Exhibits.

On September 11, 2012, by Procedural Order, leave was granted for the extension of the deadline for the exchange of copies of the Witness Lists and Exhibits as agreed between the parties.

On September 9, 2012, Fennemore Craig, P.C., by Attorney Jay L. Shapiro, filed separate Requests for Order Authorizing Substitution of Counsel for Respondents Peter Pocklington and John M. McNeil. Attached to the aforementioned requests were the signed consents and authorizations of both named Respondents. No other requests were made in the filings.

On September 21, 2012, the Division filed a response indicating that that the Division had no objections to the substitution of counsel provided that (1) Respondents Pocklington and McNeil acknowledged under oath that they were aware of the possible conflicts that may arise in connection with Mr. Shapiro representing both of them in this proceeding and, despite same, they chose to be represented by Mr. Shapiro; and (2) the substitution of counsel was not the basis of a continuance of the October 22, 2012 hearing date.

On September 24, 2012, by Procedural Order, the requests to substitute counsel were granted.

On October 12, 2012, the Respondents and the Division filed what was captioned as "Stipulation for Continuance of Hearing Dates" ("Stipulation") of the hearing scheduled to commence on October 22, 2012, stating that issues had arisen related to family medical problems involving counsel for CPR, CPM and LBR and also involving surgery for one of the Respondents' witnesses. Further, Respondents will require additional time to evaluate the disclosure of an additional expert witness by the Division. The parties suggested that a procedural conference be

scheduled on or after November 12, 2012, to discuss the rescheduling of the hearing.

On October 15, 2012, by Procedural Order, the hearing was vacated and a procedural conference scheduled on November 19, 2012.

On November 19, 2012, at the procedural conference, the Division and Respondents appeared through counsel to discuss the rescheduling of the hearing. The parties agreed that approximately 12 witnesses would be called to testify and that due to scheduling conflicts between the expert witnesses the parties are planning to call to testify, a hearing should be scheduled in May 2013.

Accordingly, a hearing should be should be scheduled as discussed between the parties.

IT IS THEREFORE ORDERED a hearing shall be held on May 15, 2013, at 10:00 a.m., at the Commission's offices, 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona.

IT IS THEREFORE ORDERED that the parties shall reserve May 16, 17, 20, 21, 22, 23, 28, 29 and 30, 2013, for additional days of hearing, if necessary.

IT IS THEREFORE ORDERED that the parties shall exchange copies of any additional Exhibits and names added to their Witness Lists by April 1, 2013, with courtesy copies to the presiding Administrative Law Judge.

IT IS THEREFORE ORDERED that if the parties reach a resolution of the issues raised in the Notice prior to the hearing, the Division shall file a Motion to Vacate the proceeding.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized Communications) is in effect and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the Rules of the Arizona Supreme Court). Representation before the Commission includes appearances at all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled for discussion, unless counsel has previously been granted permission to withdraw by the

1 Administrative Law Judge or the Commission. 2 IT IS FURTHER ORDERED that the Presiding Administrative Law Judge may rescind, alter, 3 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by 4 ruling at hearing. 5 day of November, 2012. 6 7 8 MARC E. STERN 9 ADMINISTRATIVE LAW JUDGE 10 Copies of the foregoing mailed/delivered 11 this 2/51 day of November, 2012 to: 12 Jay L. Shapiro FENNEMORE CRAIG, P.C. 13 3003 North Central Avenue, Suite 2600 Phoenix, AZ 85012 14 Attorneys for Respondents Peter Pocklington and John M. McNeil 15 Keith Beauchamp 16 COPPERSMITH SCHERMER & BROCKELMAN PLC 2800 North Central Avenue, Suite 1200 17 Phoenix, AZ 85004 Attorneys for Respondents Crystal Pistol Resources, LLC, 18 Crystal Pistol Management, LLC, and Liberty Bell Resources I, LLC 19 Matt Neubert, Director Securities Division 20 ARIZONA CORPORATION COMMISSION 1300 West Washington Street 21 Phoenix, AZ 85007 22 ARIZONA REPORTING SERVICE, INC. 2200 North Central Avenue, Suite 502 23 Phoenix, AZ 85004 24 25 By: Secretary to Marc E. Stern 26 27

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